



First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018-4214
Tel 847 318-7575
Fax 847 318-7588

RECORDATION NO. 22468-B FILED

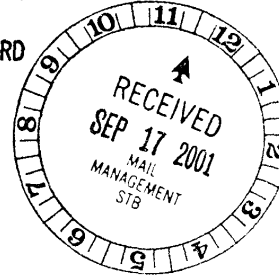
VIA UPS NEXT DAY AIR

September 14, 2001

SEP 18 '01 19:16 AM

SURFACE TRANSPORTATION BOARD

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment



Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated August 7, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation number 22468.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Dakota Minnesota & Eastern Railroad Corp.
337 22nd Avenue South
Brookings, SD 57006

A description of the railroad equipment covered by the enclosed document is seventy-one (71) 100 ton, 4750 cubic foot covered hopper cars, with DME car marks (see Exhibit A for exact car numbers).

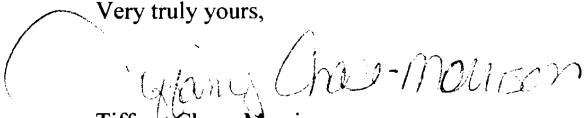
A short summary of the document to appear in the index follows:

Memorandum of Lease between First Union Rail Corporation, Lessor and Dakota Minnesota & Eastern Railroad Corporation, Lessee, covering 71 100 ton, 4750 cubic foot covered hopper cars, with DME car marks (see Exhibit A for exact car numbers).

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,


Tiffany Chase-Morrison
Manager of Documentation

Enclosures

(DME008)

ASSGN. NO.: DME008

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 7th day of August, 2001 by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Dakota, Minnesota, and Eastern Railroad Corporation ("Lessee"), a Delaware Corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement, dated as of June 23, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 8 to the Lease (the "Rider") as described in more particular on Exhibit A attached hereto, effective as of July 29, 2001 and subject to the terms, conditions and provisions of the above mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: K. A. Dombrowski
Name: K. A. Dombrowski
Title: DIRECTOR OF DOCUMENTATION

By: Richard F. Seymour
Name: RICHARD F. SEYMOUR
Title: Vice President, Sales & Marketing

Executed on this 7th day of August, 2001

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

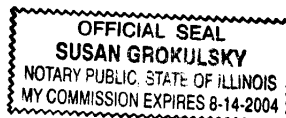
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 7th day of August, 2001.

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



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SURFACE TRANSPORTATION BOARD

LESSEE:

DAKOTA, MINNESOTA, AND EASTERN
RAILROAD CORPORATION

ATTEST:

By: John B Gabel
Name: JOHN B GABEL
Title: GENERAL MANAGER RAILCAR FLEET

By: Steve Schenck
Name: Steve Schenck
Title: V.P. Train Eng.

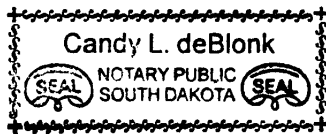
Executed on this 1st day of August, 2001.

[CORPORATE SEAL]

STATE OF South Dakota
COUNTY OF Brookings

I, Candy L deBlonk, a Notary Public of the County and State aforesaid,
certify that John B. Gabel personally appeared before me this day and
acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 1st day of August, 2001.



Candy L deBlonk
Notary Public

My Commission Expires:

My Commission Expires: March 10, 2007

(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Seventy-one (71)

DESCRIPTION OF CARS: 100-ton 4750 cu.ft. Covered Hopper Cars

CAR NUMBERS: See below.

DME	1	DME	5047	DME	488048
DME	2	DME	5048	DME	488061
DME	3	DME	5049	DME	488062
DME	4	DME	5050	DME	488067
DME	6	DME	5241	DME	488068
DME	7	DME	10525	DME	488075
DME	8	DME	10534	DME	488080
DME	10	DME	10550	DME	488083
DME	5023	DME	10649	DME	488084
DME	5027	DME	10655	DME	488092
DME	5030	DME	10656	DME	488100
DME	5031	DME	10683	DME	488103
DME	5032	DME	10701	DME	488109
DME	5033	DME	10737	DME	500002
DME	5034	DME	11131	DME	500031
DME	5035	DME	463104	DME	500076
DME	5037	DME	485010	DME	500082
DME	5038	DME	486587	DME	510020
DME	5039	DME	486589	DME	510037
DME	5041	DME	486595	DME	510072
DME	5042	DME	486600	DME	830130
DME	5043	DME	486601	Count:	71
DME	5044	DME	486605		
DME	5045	DME	486638		
DME	5046	DME	488040		